

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FLP-293

For: State and County Offices

Monitoring Certified Lender (CLP) Eligibility

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

**A
Background**

CLP is a program that permits lenders with a proven track record in making and servicing guaranteed loans to operate under a streamlined origination and servicing process. A recent FSA review of report GLS 2012 listed numerous lenders **not** meeting CLP eligibility criteria.

**B
Purpose**

This notice:

- requires State Office review of GLS 2012
- reminds State Offices to review CLP eligibility requirements in 2-FLP, subparagraph 50 B.

**C
Contacts**

If there are any questions about this notice, State Offices shall contact Jeffrey King, LSPMD at 202-720-1651.

Disposal Date

January 1, 2004
2-26-03

Distribution

State Offices; State Offices relay to County Offices

2 Monitoring CLP Lenders

A

Eligibility Criteria

Lenders must comply with the eligibility criteria in 2-FLP, subparagraph 50 B, to maintain CLP status. GLS 2012 shall be used to evaluate compliance with the following eligibility criteria:

- loan losses do **not** exceed 7 percent

Note: Loss rate equals the net amount of guaranteed OL and FO loss claims paid on loans made in the past 7 years divided by the total loan amount of OL and FO loans made in the past 7 years.

- a minimum of 5 FSA guaranteed FO and OL loans /LOC's have been closed within the past 2 years.
-

B

SED

Responsibilities

To determine whether the lender's CLP status should continue, SED shall:

- review CLP monitoring reviews from County Offices
- review GLS 2012
- collect and review any additional information needed.

If review of the above indicates the lender is no longer meeting CLP eligibility criteria, SED may revoke the lender's CLP status for failure to maintain CLP eligibility criteria. SED shall notify the lender of FSA's intent to revoke the lender's CLP status and provided 30 calendar days to correct deficiencies identified, before FSA makes a final determination.

If SED revokes the lender's CLP status, SED will notify the lender in writing providing appeal rights.
